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No.

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

KEARNEY-NATIONAL, INC.,
Petitioner,

vs.

BURNDY CORPORATION,
Respondent.

PETITIONER'S REPLY TO BRIEF FOR RESPONDENT

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District Court Did Not Apply The Statutory Presumption Of Validity.

The Respondent states the District Court correctly applied the presumption of validity. This is incorrect. Title 35 U.S.C. §282, clearly states that a patent shall be presumed valid. This presumption pervades over any patent from the beginning of its introduction into any lawsuit. And, in the various circuits, it either takes "clear and convincing evidence" or "a preponderance of evidence" to overcome this presumption. In the case at Bar, the Court applied no presumption *ab initio* with respect to the Zemels' patent, but to the contrary, after finding many significant and improved results from the patented compression connector, the Court simply commented, in a footnote, that "the most that can be said of the presumption is that it requires that reasonable doubt on the question of validity be resolved in

favor of the patent holder." Thus, the presumption was never applied in this case, it did not prevail at the outset of the litigation, but rather, was discarded as an afterthought. Hence, not only did the District Court not follow the requirements of the Second Circuit, but as a matter of law, it failed to give application to the statutory presumption of validity in this patent case.

The Patent Office examiner reviewed in granting this United States patent the very same prior art later relied upon by the District Court Judge in holding the patent invalid.

There were two patent applications in this case, one being the parent application, the other comprising the continuation-in-part application. Contrary to the Respondent's comments, there were no first and second Patent Office examiners involved, but rather, the same individual, that being the same Patent Office examiner, reviewed both the parent and the continuation-in-part applications for their inventive merit. And, after reviewing such prior art, the patent was granted upon the continuation-in-part application, under a procedure that is clearly allowable under Patent Office regulations.

The Respondent itself recognizes that this same Patent Office examiner reviewed all of the prior art patents involved, since on pages 4 and 5 of its brief, it clearly recognizes that the Hoffman patent, the two Toedtman patents, the Graham patent, and the Lynch patent, were all reviewed by this Patent Office examiner. Following this review, the United States patent at issue was granted. Upon reviewing the District Court Judge's opinion, he relied upon this very same prior art in holding the subject patent invalid. Thus, and in doing so, the statutory presumption was never applied, even though the Court found that significant improvements were obtained from this patented connector, which under normal conditions, the presumption, if initially applied, or even resurrected in the case of reasonable doubt, should have tipped the scale, as a matter of law, in favor of the patent's validity.

Respondent raises a pseudo issue of fraud on the Patent Office as a smokescreen to cover its total wrongdoing in the method and manner that it copied Petitioner's patented connector. Respondent says that Petitioner defrauded the Patent Office in the manner of presecution of its patent applications. Such was never proved at trial, and the Court simply recognized that the patent attorney prosecuting said applications simply performed in a manner customary of one who prosecutes applications before the Patent Office. Respondent alleges the Petitioner withheld information from the patent examiner. This is untrue, and such was never proved at trial. The formulations of the patent are provided as a guide to aid other connector designers to derive connectors according to the teachings of this patent, so that when the patent expires, others may copy the same. But Respondent, due to its apprehensions, as can be readily gleaned from the memorandum its vice president wrote to himself, [See Appendix E], about the opposition arising against its Cabelock Crimpit connector, a competitive product to the patented connector in suit, simply could not wait for the Petitioner's patent to expire, lest its business would deteriorate any further. It is the outright and willful infringement made by the Respondent's that is the real issue of wrongdoing that pervades over this case, and not some smokescreen issue of fraud on the Patent Office attempted to be raised by the Respondent at trial but of which it was unsuccessful of proof.

The Validity Of Petitioner's Patented Connector And Its Contributions To The Art.

The patent states that Petitioner's connector derives the essence of its invention by locating voids along that crosswise extending body of metal formed between the two connector receiving sockets, and that these voids are located closer to the smaller socket than to the larger socket. The patent states that as a result of this design, both good mechanical and electrical characteristics are derived for this connector. From a mechanical standpoint, the District Court recognized that the combina-

tion resulted in significant improvements in H-Frame connector technology. From an electrical standpoint, one of the exhibits filed as evidence in this case clearly showed that only the patented connector functions to provide those good electrical characteristics required by the utilities before they will allow the connector to be used, whereas all of the prior art connectors so relied upon by the Patent Office examiner, and District Court, failed dismally during testing to attain those electrical characteristics required by regulations. Thus, the patented connector is the only connector capable of meeting those significant improvements and obtained electrical results that meet all required standards for an electrical connector of this type.

Respectfully submitted,

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APPENDIX

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EX AA

OVERHEAD TAP CONNECTOR IMPROVEMENT

I would like to get some thoughts down on paper regarding John Hus' letter of October 5 on Overhead Tap Connector Improvement. I am particularly concerned at this point with the work that is being done on the H-frame.

The fundamental question is twofold:

a. Is the elimination of Penetrox a sufficiently important advantage to force a utility company to give up their ability to have multiple sources and complete interchangeability in the storeroom?

b. If it is, how long would it take us to convince the typical utility company that our approach is acceptable?

Let me address myself first to the question of the importance of the elimination of Penetrox. People like Garry Osborn and the linemen demonstrators are far more qualified to pass judgment on this than I, but my impression would be that the advantage is not dramatic enough to have a utility company throw its reservations to the wind and go along with us. Some will, of course, but most of those who would consider this approach would want to satisfy themselves completely that it works. I am particularly concerned with the performance of the anodized H-Frame on weathered cable. Utility companies would normally think of the compound as an added safety factor in the event that the conductor was poorly cleaned or not cleaned at all. This could be a disadvantage if the anodizing does not work properly on weathered cable which has not been cleaned.

I recognize that the savings here could enable us to pass some price advantage on to the customer, even keeping a portion of the cost saving for ourselves, but I do not delude myself that competition, even with their compound-filled product, would not meet our price immediately and I am not interested in driving the general price level in the marketplace down to the point where our cost advantage would force them out of the picture.

If the A.D.D. tests indicate that it is possible to reduce the contact length and shorten the connector, thereby really reducing the cost beyond the advantages saved from purely the compound and the packaging, it might change that situation somewhat.

This, however, would lead us to question (b) because, just as with the elimination of the compound, many utility companies will insist on their own test program before they approve the item.

The main reason for my concern is the evident increase in opposition to the CABELOK CRIMPIT which appears to have accelerated in recent months. In addition to the old problems with which we are all familiar, I have noted that we have just been removed from the standards at Public Service of Colorado on CABELOKs as a result of the linemen complaints, and here we have good friends who have stalled this off as long as possible. Similarly, the letter from John Shaffer on Pacific Power & Light indicates that Harry Pearson, a very good Burndy friend, is being forced to add the H-Frame to the standards because of the pressure from the line department—and it is very clear that if both are available to the line crews, they will not use the CABELOK.

My thinking is that by the time we are able to swing a significant part of the market to our new and innovative H-Frame, we will have lost a significant part of our present CABELOK business. This leads me to the thought that it might be wise to undertake a two-step process. I am going on the assumption

that the elimination of the compound and the anodizing of the connector will not change the fundamental design of the product. I also recall that Mike Lazar said that the topography was really more psychological than anything else. The item worked very well simply through anodizing, but it was felt that if the only thing we change was the surface treatment, there would be greater reluctance of the utility companies to accept our new and "magic" approach. Suppose we were to proceed and introduce an H-Frame which is an exact duplicate of the present Kearney approach, stem the tide of people switching away from Burndy to H-Frame by our ability to deal with them on the H-Frame where the problem arises, and giving our sales organization a chance to go after the 70% of the compression tap connector market that we do not now enjoy by being able to offer an immediate and direct substitute for the Kearney line.

Phase II would involve the development of complete technical support for the new approach, embodying the optimum design which not only might involve the anodizing and the topography, but also a possible reduction in contact length, cost, and perhaps even a number of crimps in some sizes. My own opinion is that, if this approach without compound doesn't work on unclean conductor as well as the H-Frame with compound works on unclean conductor, we may have a problem on our hands.

At least we would be able to check out the market thoroughly, without seeing our present business go down the drain while we are determining whether we should proceed or how we should proceed with the new design.

James J. Hennessy

JJH/ms